



## STATE OF RHODE ISLAND

### DIVISION OF PUBLIC UTILITIES & CARRIERS

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**DATE:** May 20, 2021

**TO:** Luly Massaro, Commission Clerk  
Rhode Island Public Utilities Commission

**FROM:** Patricia Smith  
Utility Analyst

**SUBJECT:** Docket No. 4978 - National Grid's Industrial Group Last Resort Service Rates for the Period July 1, 2021 through September 30, 2021

On April 20, 2021, The Narragansett Electric Company d/b/a National Grid ("National Grid" or "Company") filed proposed Last Resort Service ("LRS") rates for the Industrial Group for the period July 2021 through September 2021. The Company submitted a Request for Confidential Treatment covering the detailed bid results. The Company submitted the confidential materials to the Division of Public Utilities and Carriers ("Division") for its review and analysis. The Division reviewed the filing and submits this memo to the Public Utilities Commission ("PUC") for consideration.

As with past Last Resort Filings, the Company submitted the following information:

- The calculation of the retail LRS rates for the Industrial Group for the applicable service period.
- The Summary of Rates tariff for LRS reflecting the proposed Industrial Group Rates for the period of July 2021 through September 2021.
- Typical bill analysis for the Industrial Group.
- A copy of the Request for Proposals ("RFP") issued by the Company on March 12, 2021 to solicit LRS supply for the Residential Group for the period October 2021 through September 2022, for the Commercial Group for the period October 2021 through September 2022, and for the Industrial Group for the period July 2021 through September 2021.

- A redacted summary of the procurement process identifying the key actions taken by the Company to procure LRS for its customers.
- Redacted versions of the executed confidential Transaction Confirmations.

Unredacted versions of the Procurement Summary and Transaction Confirmations have been supplied under separate cover.

In accordance with the Procurement Plan, the RFP issued on March 12, 2021 was to procure LRS for the following customer groups:

- 20% of the residential load for the period October 1, 2021 through September 30, 2022;
- 20% of the commercial load for the period October 1, 2021 through September 30, 2022;
- 100% of the industrial load for the period July 1, 2021 through September 30, 2021.

The current LRS retail rates for the residential and commercial groups were previously approved by the PUC for effect on April 1, 2021 and are scheduled to be in place through September 30, 2021. The current filing seeks approval for the LRS rate for the Industrial Group for the period July 2021 through September 2021. The following table presents the detail of the proposed retail rates:

<b>Line No.</b>	<b>Description</b>	<b>July 2021</b>	<b>Aug 2021</b>	<b>Sept 2021</b>
1	Industrial Group LRS Rate per kWh	\$0.05289	\$0.05161	\$0.04982
2	LRS Administrative Cost Factor	\$0.00201	\$0.00201	\$0.00201
3	LRS Adjustment Factor	(\$0.00598)	(\$0.00598)	(\$0.00598)
4	Renewable Energy Standard Charge	\$0.00665	\$0.00665	\$0.00665
5	<b>Total Industrial Group LRS Retail Rate</b>	<b>\$0.05557</b>	<b>\$0.05429</b>	<b>\$0.05250</b>

The adjustment factors shown on Lines 2 – 4 were previously approved by the PUC for effect on April 1, 2021 and are scheduled to remain in place through March 31, 2022. The base rate component shown on line 1 includes cost of energy, estimated capacity costs, ancillary services and a line loss factor. The RFP issued on March 12, 2021 contained 2 load blocks for the Industrial Group with each block representing 50% load share. The Division reviewed the confidential information submitted in this docket and verified that the lowest bidder was selected for each load block for each of the 3 months during the proposed pricing period.

### **Recommendation**

Based on the Division’s review of National Grid’s filings in this docket, we found that the proposed LRS rates were correctly calculated and that the power supply procurements undertaken by the Company in this reporting period comply with the PUC approved procurement plan. The Division recommends approval of the proposed LRS for the Industrial Group.